

SENATE BILL 3624
By Southerland

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18, relative to leases of motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by adding a new section thereto, as follows:

Section 47-18-127.

(a) For purposes of this section, "lease" means the grant of use and possession of a motor vehicle for consideration, whether or not the grant includes an option to buy the vehicle.

(b) Every lease of a motor vehicle shall be written in plain English and shall describe all the rights and obligations of the consumer who is leasing the motor vehicle.

The lease shall include, but not be limited to, the following:

- (1) The selling price of the motor vehicle;
- (2) Dealer acquisition fees;
- (3) The amount of payoff at the end of the lease;
- (4) All applicable finance charges;
- (5) The amount of any trade-in, if applicable;
- (6) All required insurance costs;
- (7) All equipment on the motor vehicle to be leased;
- (8) Any rebates from the manufacturer that are applicable to the motor vehicle;
- (9) The expected depreciation of the motor vehicle;
- (10) The mileage limits of the lease agreement;

(11) The amount of security deposit;

(12) Upon termination of the lease, where the motor vehicle is to be delivered and any applicable disposition fees; and

(13) Any other costs or fees to be paid by the consumer leasing the motor vehicle.

(c) A violation of this section constitutes a violation of the Consumer Protection Act of 1977, codified in this chapter.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring it.